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TENNESSEE BOARD FOR LICENSING CONTRACTORS

MEETING TRANSCRIPT

JULY 22, 2009

**ORIGINAL**

ALPHA REPORTING CORPORATION

236 Adams Avenue

Memphis, TN 38103

901-523-8974

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**BOARD MEMBERS:**

# Ronnie Tickle

**Mark Brodd**

Cindi Debusk

Keith Whittington

Reese Smith

**Ernest Owens**

**ALSO PRESENT:**

Katherine Hollimen

Carolyn Lazenby

Michael Driver, Esq.

**COURT REPORTING FIRM:**

Jennifer L. Aaron

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1 (PROCEEDINGS)

2 MS. DEBUSK: We're reconvening  
3 the Tennessee Contractor's Licensing Board  
4 meeting July 22nd, 2009, and we'll start  
5 with the roll call to my left.

6 MR. OWENS: Ernest Owens,  
7 Memphis, Tennessee.

8 MR. SMITH: Reese Smith,  
9 Franklin.

10 MR. WHITTINGTON: Keith  
11 Whittington, Johnson City.

12 MS. DEBUSK: Cindy Debusk,  
13 Knoxville.

14 MR. BRODD: Mark Brodd,  
15 Knoxville.

16 MR. TICKLE: Ronnie Tickle,  
17 Memphis.

18 MS. DEBUSK: Okay. The agenda  
19 at this time, the agenda states to review,  
20 approve, and adopt the agenda as written.  
21 Does anyone have additions or changes?

22 MR. SMITH: Move for approval.

23 MR. WHITTINGTON: Second.

24 MS. DEBUSK: All in favor?

1 (AYE RESPONSES)

2 MS. DEBUSK: Motion carries.

3 Okay. A number -- the next  
4 item on the agenda is hardships. A number  
5 of those have been approved by various  
6 members of the Board and Executive  
7 Director. So do I entertain a motion to  
8 approve the hardships that are listed?

9 MR. WHITTINGTON: Move that we  
10 approve the hardships.

11 MS. DEBUSK: Do I have a  
12 second?

13 MR. SMITH: Second.

14 MS. DEBUSK: All in favor?

15 MR. BRODD: Aye -- just a  
16 second. Are any of these hardships in those  
17 files we've given to Franklin?

18 MS. DEBUSK: No.

19 MR. BRODD: Okay.

20 MS. DEBUSK: These hardships  
21 were previously approved by a board member.

22 MS. LAZENBY: Right. They met  
23 the criteria for being a hardship and needed  
24 the license before you-all met. So...

1 MS. DEBUSK: So all in favor?

2 (AYES RESPONSE)

3 MS. DEBUSK: Opposition?

4 (NO RESPONSE)

5 MS. DEBUSK: Motion carries.

6 We have the March 2009

7 transcripts and the May 2009 transcripts.

8 We need to review and approve those. Do we

9 want to take a few minutes to review the

10 transcripts? I think they were sent

11 electronic mail.

12 MS. LAZENBY: Right. You-all

13 should have received them a few weeks ago.

14 MR. WHITTINGTON: Move that we

15 approve the transcripts.

16 MR. SMITH: Second.

17 MS. DEBUSK: All in favor say

18 aye.

19 (AYES RESPONSE)

20 MS. DEBUSK: Motion carries.

21 Now, on there, it says

22 interviewed waived applicants. I think --

23 MR. SMITH: Yes. I'd like to

24 make a motion that we approve the

1 interviewed waived applicants while we have  
2 a quorum subject to the approval of a  
3 subcommittee, which the chairman can appoint  
4 to meeting in the morning.

5 MS. DEBUSK: Okay. The  
6 subcommittee, do you want to do that now or  
7 set your second your motion?

8 MR. SMITH: Let's do the  
9 motion. We need a second.

10 MR. WHITTINGTON: I second.

11 MS. DEBUSK: Okay. Now,  
12 discussion. Subcommittee will be Ernest  
13 Owens, Keith Whittington, Ronnie Tickle and  
14 that's it. So do we need any discussion  
15 about what we're going to with the  
16 interviewed and waived applicants?

17 (NO RESPONSE)

18 MS. DEBUSK: All in favor?

19 (AYES RESPONSE)

20 MS. DEBUSK: All opposed?

21 (NO RESPONSE)

22 MS. DEBUSK: Nope. Motion  
23 carries.

24 Revisions, that's behind tab --

1 MS. LAZENBY: Tab 3, revisions.

2 MS. DEBUSK: Tab 3.

3 MS. LAZENBY: Tab 4, I'm sorry.

4 MS. DEBUSK: That's what I

5 thought, Tab 4.

6 Okay. And these were  
7 previously approved -- reviewed and approved  
8 by the Board members?

9 MS. LAZENBY: Yes.

10 MS. DEBUSK: Okay. So do we  
11 have a motion to approve?

12 MR. SMITH: So moved.

13 MR. OWENS: So second.

14 MS. DEBUSK: All in favor?

15 (AYES RESPONSE)

16 MS. DEBUSK: Motion carries.

17 Okay, the LLE applications. I  
18 will make a motion to approve all the  
19 applicants licensed on the LLE review sheet  
20 except for one, and it's Jefferson-Cocke  
21 County Utility. And the reason we're  
22 holding that is, we changed the law back in  
23 2000 -- back in 2000 that we no longer  
24 issued a license in an entity name. So they

1     need to --

2                   MS. LAZENBY:   They need to find  
3     an electrician with experience and let them  
4     hold the license.   I know that's what the  
5     other utilities have been doing.   Was it  
6     Jefferson County?

7                   MS. DEBUSK:   It says Jefferson-  
8     Cocke County Utility.   Are they next door?

9                   MR. SMITH:   Did you tell them  
10    that's what it is?

11                  MS. DEBUSK:   Licensed --

12                  MS. LAZENBY:   The person that  
13    sort of held their license I believe either  
14    quit or died.

15                  MS. DEBUSK:   Well, their  
16    license expired in 2004.

17                  MS. LAZENBY:   Yeah.

18                  MS. DEBUSK:   And I don't know  
19    why they're just now, five years later,  
20    saying they need to renew their LLE license.

21                  MR. WHITTINGTON:   Why is the  
22    reason that utility district needs a  
23    license?

24                  MS. LAZENBY:   To get an



1 inspection from the fire marshal's office.

2 MS. DEBUSK: Yeah. They said  
3 we do not do electric repairs, but we need  
4 for utility. We do gas repairs on small  
5 appliances. So for the past five years,  
6 they haven't been doing it?

7 MS. LAZENBY: I guess.

8 MS. DEBUSK: And they filled  
9 out their own reference letter.

10 MR. WHITTINGTON: They're  
11 wanting an LLE to work on gas appliances?

12 MS. DEBUSK: Uh-huh  
13 (affirmative response). We do gas repair on  
14 small appliances.

15 MR. WHITTINGTON: Well, I often  
16 wondered if LLE worked on gas.

17 MS. LAZENBY: We'll let them  
18 know they need the LLE license and find an  
19 electrician with some experience and he'll  
20 get the license in his name.

21 MR. SMITH: Go ahead.

22 MS. DEBUSK: So I have a motion  
23 to approve the LLEs on our list except for  
24 Jefferson-Cocke County Utility.

1 MR. WHITTINGTON: So moved.

2 MR. BRODD: Second.

3 MS. DEBUSK: All in favor?

4 (AYES RESPONDED)

5 MS. DEBUSK: Motion carried.

6 We had on home improvement --

7 do we have a home improvement list?

8 MS. LAZENBY: No, we don't have  
9 a list. We just have those two files, so...

10 MS. DEBUSK: Okay. I want to  
11 hold one.

12 MS. LAZENBY: Hold one as an  
13 issue, the other one I guess be on record,  
14 we're going to issue Bruce Lewis, doing  
15 business as Low Cost Maintenance, he had  
16 been convicted of a felony over ten years  
17 ago.

18 MS. DEBUSK: Back in '84.

19 MS. LAZENBY: Didn't have --  
20 there's nothing on his record since. His  
21 record has been clean since.

22 MS. DEBUSK: He was convicted  
23 and ten years and then he got early  
24 probation and he was released from parole

1 early due to good behavior, and he was -- he  
2 didn't actually --

3 MS. LAZENBY: Pull the  
4 trigger.

5 MS. DEBUSK: -- pull the  
6 trigger.

7 MR. WHITTINGTON: They were  
8 having a dice game and his friend lost some  
9 money and an argument ensued.

10 (MULTIPLE VOICES AT ONCE)

11 MS. DEBUSK: So he's guilty by  
12 association so we will approve Mr. --

13 MS. LAZENBY: Lewis.

14 MS. DEBUSK: Mr. Lewis'  
15 application for a home improvement license.  
16 However, we're going to hold Southern  
17 Comfort Windows, Karen Fowler, sole  
18 proprietor, she doesn't have experience in  
19 construction in any form of construction and  
20 her son -- she's going to sub it out to her  
21 son that has performed this type of work for  
22 ten years. So we're going to hold her for  
23 lack of experience and then we can decide to  
24 bring her in for an interview?

1 MS. LAZENBY: Yeah. I'll bring  
2 her in for an interview unless she wants to  
3 hire an employee with Tennessee.

4 MS. DEBUSK: If she has an  
5 employee.

6 MS. LAZENBY: Yeah, right.

7 MS. DEBUSK: And we don't have  
8 to deal with Utah and we don't have to --

9 MR. WHITTINGTON: Make a motion  
10 we approve the home improvement application  
11 list in decisions.

12 MR. BRODD: Second.

13 MS. DEBUSK: All in favor?

14 (AYE RESPONSES)

15 MS. DEBUSK: Okay. That motion  
16 carries.

17 Now I'm going to turn it over  
18 to Michael Driver, legal counsel for the  
19 Board for the legal report.

20 MR. DRIVER: Thank you. Going  
21 to do an exceptions report for the legal  
22 report on the recommendations of the  
23 subcommittees starting with the residential  
24 subcommittees.

1                   No. 7, the dollar was changed  
2   from 1,000 to \$5,000. No. 11, the  
3   recommendation as to Respondent Two was  
4   changed to \$5,000 with authorization for a  
5   formal hearing. No. 17, the authorization  
6   was changed from a formal hearing to a  
7   letter of warning. No. 20, the  
8   authorization was changed from \$500 to  
9   \$1,000. No. 25, the authorization was  
10  changed from \$2,000 to not less than  
11  revocation of the license. No. 26, was  
12  changed to letter of warning. And no one  
13  disagreed with Member Keith Whittington's  
14  recommendations on 37 through 38. It's on  
15  the report.

16                   MR. WHITTINGTON: Okay.

17                   MR. DRIVER: Commercial 2 was  
18  changed to \$5,000. Commercial 3 was changed  
19  to closed. And Commercial 4 was changed to  
20  close, although it is noted that the  
21  additional understanding was deemed by  
22  subcommittee as being irrelevant, so...

23                   MS. DEBUSK: okay.

24                   MR. DRIVER: And as noted in

1 the report, Member Whittington won't be  
2 participating in the vote on 37 and 38. I  
3 don't know how you want to take that. The  
4 home improvement report was accepted by the  
5 two members that Respondent as it was  
6 written without changes.

7 MS. DEBUSK: Okay.

8 MR. SMITH: Move for approval  
9 with the additions and corrections.

10 MS. DEBUSK: Okay. Do we have  
11 a second?

12 MR. TICKLE: Second.

13 MS. DEBUSK: All in favor?

14 (AYES RESPONSE)

15 MS. DEBUSK: Okay. Motion  
16 carries.

17 The next item on the agenda is  
18 the discussion topic and I that's with  
19 Carolyn Lazenby, but from my understanding,  
20 Carolyn, on the discussion topics, we don't  
21 vote on this. You're just informing of  
22 something.

23 MS. LAZENBY: Yeah. Except I  
24 think on the temporary traffic devices and

1 signage, Michael, do you need them to vote  
2 on those?

3 MR. DRIVER: I don't need them  
4 to, but I will say that the person that  
5 brought it up stated that if the Board  
6 wished to take any vote on it, it would be  
7 appreciated. However, certainly, the Board  
8 is not obligated to give a vote on any  
9 particular thing that they don't feel like  
10 giving a vote on. Simply as creating an  
11 official voted on, this is our policy as to  
12 this thing. However, the Board can't bind  
13 it until that's the later decision, so...

14 MR. WHITTINGTON: Did they have  
15 a contact to do this?

16 MR. DRIVER: I don't know who  
17 -- my understanding is, the situation is  
18 they were bringing up purely temporary  
19 traffic devices, my understanding is purely  
20 temporary. Nothing is being installed,  
21 they're setting up, you know, the proper  
22 barricades in the road, that sort of thing.  
23 A bid was placed and the utilities stated  
24 that we can't accept your bid, you were not

1 a licensed contractor. The person that made  
2 this request stated I do this kind of work.  
3 I don't believe that I need to be a licensed  
4 contractor. Contacted our office and it's  
5 now before you again as only to purely  
6 temporary signage.

7 It is worth noting and I  
8 believe where the utility is coming from is  
9 that traffic control is actually listed  
10 subcategory and contracts alone clearly in  
11 such signage, traffic control devices would  
12 be the permanent installation of, you know,  
13 things within the meaning of the contractors  
14 law. I don't think there's any question.

15 MR. WHITTINGTON: Not to  
16 mention the charge we're assigned with is  
17 the welfare and protection of the public and  
18 any time you control the direction of  
19 traffic, you're dealing with the public. I  
20 think they need a license, so...

21 MS. DEBUSK: Would that be a  
22 speciality license?

23 MR. WHITTINGTON: No, that  
24 would be the HRA.



1 (MULTIPLE VOICES SPEAKING)

2 MR. WHITTINGTON: It'd be an  
3 HRA and then there'd be a subcategory under  
4 that.

5 MR. DRIVER: It is actually  
6 HRAE 1. Traffic safety.

7 MR. SMITH: (Inaudible) fences.

8 MS. DEBUSK: Yeah.

9 MR. WHITTINGTON: Does mean  
10 that they need to take a business law exam?  
11 They don't have any other exam to take, but  
12 they need to take a business and law to be  
13 properly licensed?

14 MS. LAZENBY: And I think the  
15 bid is over and I think --

16 MR. DRIVER: Well, it wasn't  
17 over 25,000.

18 MR. SMITH: Uh-huh (affirmative  
19 response).

20 MR. DRIVER: I think it would  
21 never come to that.

22 MR. SMITH: Was this over  
23 25,000?

24 MR. DRIVER: I would assume it

1 would have to be before it would have any  
2 jurisdiction of it one way or the next.

3 MS. LAZENBY: But it was over  
4 like they've already bid it and it was over  
5 and done with.

6 MR. DRIVER: Yeah. We're  
7 passed. This is purely more or less this  
8 person is requesting for their own personal  
9 business. Again, I'm not -- you know, you  
10 can --

11 MR. SMITH: I would guess most  
12 of these are subcontractors bidding to a  
13 builder or a general any way?

14 MS. LAZENBY: Usually they are,  
15 but this case --

16 MR. DRIVER: It was to utility,  
17 yeah, so I think that is why.

18 MR. SMITH: Bunch of them  
19 wouldn't have to.

20 MS. LAZENBY: But the utilities  
21 did require them to have a license.

22 MR. DRIVER: And --

23 MS. LAZENBY: And I think they  
24 bid, and they didn't have a license.

1 MR. DRIVER: The question is --  
2 more or less is the installation of these  
3 things. Does the Board view those as within  
4 the meaning of construction undertaken? My  
5 understanding is Member Whittington has  
6 expressed in his opinion it did, and  
7 certainly the Board has to be in the  
8 presence of all facts --

9 MR. SMITH: I don't understand  
10 the policy, but the law does covers it,  
11 so...

12 MR. DRIVER: And again,  
13 certainly, the Board is an authorized -- or  
14 is required to vote. Okay.

15 MS. LAZENBY: The next item on  
16 the agenda, it's a letter from Mr. Jim  
17 Brown.

18 MS. DEBUSK: Tab 8.

19 MS. LAZENBY: Yes, behind Tab  
20 8. And he just wants the Board to consider  
21 getting a rule change on how you place a  
22 monetary limit on a license. He feels kind  
23 of like the network requirement is creating  
24 a hardship on small businesses and he was

1 just -- he has compared with other states  
2 that do -- that do it the same way we do and  
3 each state is different. But he still admit  
4 they work in on trying to help these small  
5 contractors during these bad times, and  
6 they're just unable to renew their license  
7 because they do not have enough net worth.

8 So he's asking if you-all can  
9 think about it and consider changing the  
10 rule and would require a rule change from  
11 you all. And so...

12 MR. SMITH: Is it a rule or a  
13 law?

14 MS. LAZENBY: It's a rule. And  
15 then he wants to come and meet with you-all  
16 in September and is it possible he could  
17 bring, I think they're state representative  
18 Lynn and Johnson with him from the  
19 legislature. It's an issue that they've  
20 been involved in, as well. So just wanted  
21 to bring this to your attention, have you  
22 look at it and think about whether or not  
23 you do want to change your rules.

24 MR. SMITH: Has anybody else in

1 any other organization brought this up?

2 MS. LAZENBY: No.

3 MR. DRIVER: And I would point  
4 out that although the method for  
5 determining, I believe, is straight in the  
6 rule, there is a -- the law speaks  
7 repeatedly of limits.

8 MR. SMITH: That's what I  
9 thinking of.

10 MR. DRIVER: So I'm not sure --

11 MS. LAZENBY: It would require  
12 law change.

13 MR. DRIVER: And even if you  
14 changed the means by which it was  
15 determined, the law presupposes that these  
16 limits exist. I mean, 116B says renewal for  
17 application for a monetary going to be  
18 greater than \$1,500,000 just as an example.  
19 So I'm not sure without a law change, you  
20 could -- or what seems to be the case  
21 here -- do away with limits entirely in any  
22 case.

23 MS. LAZENBY: It's just a rule  
24 that it's ten times the lessor.

1                   MR. SMITH: The lessor of the  
2 two. I don't have a problem since Frank's  
3 not here with the cash only that I think  
4 there's a discrepancy there.

5                   MS. LAZENBY: Yeah.

6                   MR. SMITH: I don't think the  
7 cash only should be penalized.

8                   MR. DRIVER: And again, that's  
9 something -- that can be addressed through  
10 rule change.

11                  MR. SMITH: And that's just  
12 me. I know he can pull it out tomorrow, but  
13 wow, he got cash in there.

14                  MS. LAZENBY: So anyway, this  
15 may come up again in September and so  
16 something you-all can be thinking, if  
17 you-all need me to gather information for  
18 you from other states, I can do that.

19                  MR. WHITTINGTON: Well, that's  
20 what I was getting ready to ask you. Your  
21 position with NASCLA, do you get a feel that  
22 other states do the same thing?

23                  MS. LAZENBY: We have checked  
24 and ours is totally different.

1 MR. WHITTINGTON: From other  
2 ways?

3 MS. LAZENBY: For most cases.

4 MR. WHITTINGTON: How do they  
5 determine when it's relieved and set  
6 limits?

7 MS. LAZENBY: Most of them  
8 don't set limits.

9 MS. DEBUSK: It's harder to not  
10 -- don't you have to be journeymen and  
11 under?

12 MS. LAZENBY: Yeah, there's  
13 a --

14 MR. DRIVER: A lot of states  
15 have a trade where you're rigging up and  
16 that's like a journeymen farmer and master  
17 farmer.

18 MS. LAZENBY: Yes, ours doesn't  
19 have the experience wrote in stone where  
20 theirs do and you have to start out small  
21 and so that is something, but it's all the  
22 states are different, and whatever works.

23 MR. WHITTINGTON: Well, at this  
24 point in time with the way we're set up, it

1 would be taking a giant step backwards to  
2 change our method of licensing because we  
3 have to grandfather all the current  
4 licensees in.

5 MR. DRIVER: My understanding  
6 of what -- and again, I can't speak for  
7 Mr. Brown, but my understanding of what is  
8 actually -- I mean, probably not an  
9 immediate change, but over time, move  
10 forward not having any sort of license limit  
11 at all is my understanding of what -- I  
12 mean, Carolyn and I think did -- had the  
13 conversation. So that's the impression I am  
14 under. Again, I don't mean to speak out of  
15 turn for everyone, but...

16 MS. LAZENBY: Yeah, we met with  
17 him in -- I think in February, and that's  
18 what his first proposal was.

19 MR. SMITH: It would appear to  
20 me as though most HVAC plumbing and  
21 electrical contractors, the majority, the  
22 small ones that he's representing do under  
23 25,000 anyway. They don't need a state  
24 license except for electrical.



1                   MR. DRIVER: And again, we will  
2 get into the September, but his typical  
3 statement is but if they wanted to, they  
4 could bid on these other jobs and whether or  
5 not that's good or bad is for the Board to  
6 decide for the laws and rules of the Board  
7 as of right now, you know, the system set up  
8 with the limitations to.

9                   MS. LAZENBY: They're just  
10 trying to come up with a way -- some people  
11 are having a hard time right now and I've  
12 had contractors that have a -- you know, if  
13 they get a CE, for instance, they work  
14 statewide. And I've had a contractor with a  
15 low limit of -- \$50,000 limit and he as  
16 unable to renew his license because, you  
17 know, he had a negative and -- but it  
18 didn't -- I think removing the net worth  
19 might make it work, do you have it so you  
20 can do a limit 50 percent of your net  
21 worth?

22                   But on this contractor, he was  
23 having to get a lot of credit for like, you  
24 know, up to like \$500,000 just to make it

1 for \$50,000 license because of his negative  
2 amount. You know, you had double it  
3 whatever your negative working capital is.  
4 So you should kind of figure out a way to  
5 help these small guys to be able to come in  
6 and -- most of them have with their license  
7 a retirement, so I think it's because of  
8 money, no jobs and insurance requirements,  
9 but...

10 MS. DEBUSK: So this is  
11 something we can take under advisement?

12 MS. LAZENBY: Yes, exactly. So  
13 they may continue in September with some  
14 options because I think they're being stuck  
15 with a lot more.

16 MS. DEBUSK: And we can take  
17 that under advisement?

18 MS. LAZENBY: Right. So that's  
19 something.

20 MR. OWENS: What would this  
21 builder indicate one of these contractors  
22 bid a job, he -- to a general, he's local,  
23 he accepts it, and this guy comes back and  
24 says, well, I can't, you going to have the

1 money to buy the equipment, it puts the  
2 general contractor in an imposition.

3 MR. TICKLE: That's exactly,  
4 right. That's why -- that's the same thing  
5 I feel, Ernest, I don't think -- they don't  
6 need to be jumping out there. If they can't  
7 swim, they don't need to be dancing.

8 MS. LAZENBY: All right.  
9 That's something we may be able to relay to  
10 them in September to tell them the other  
11 side. So --

12 MR. TICKLE: You take that job  
13 and you can't perform and that contractor's  
14 in trouble and so is the person they're  
15 doing the work for. I mean, they won't have  
16 anybody to come back on whether they're  
17 going to get it, then they're going to  
18 charge them twice as much to come back to do  
19 the job.

20 MS. LAZENBY: Exactly.

21 MR. TICKLE: So the consumer's  
22 really hurting because no one wants to go  
23 behind somebody else.

24 MS. LAZENBY: The formula is

1 the same formula that's in bonding; is that  
2 where it comes from?

3 MR. OWENS: I think so.

4 MS. LAZENBY: So it's probably  
5 been a pretty good formula.

6 MR. DRIVER: All things  
7 considered, I mean, an alternative would  
8 require them going to be bonded for  
9 everything they do and then they're going to  
10 run in to --

11 MR. TICKLE: It's hard to get a  
12 bond.

13 MR. DRIVER: Yeah --

14 (MULTIPLE VOICES AT ONCE)

15 MR. TICKLE: It don't matter  
16 how good you are, it's hard to get a bond.  
17 You can get a letter of credit a lot easier  
18 than you can get a bond.

19 MR. DRIVER: Right.

20 MS. LAZENBY: And that's what a  
21 lot of states do, they just have a bond.

22 MR. TICKLE: So you can't  
23 hardly get a bond.

24 MR. WHITTINGTON: It kind of

1 appears that we're kind of in agreeance  
2 (sic) that we feel as this would require a  
3 law change. So to save this guy of having  
4 the trouble of coming before us, he's got  
5 his state representatives, why don't he  
6 start with him and say -- Jay West used to  
7 tell us there ought to be a law, let them  
8 introduce the bill before the House and the  
9 Senate and get it passed.

10 MS. LAZENBY: I think they're  
11 looking for your input before they do change  
12 the law. I think they are --

13 MR. TICKLE: We got to have  
14 something telling them no before they try to  
15 ram something through --

16 (MULTIPLE VOICES SPEAKING)

17 MS. LAZENBY: I think they're  
18 wanting ideas more than anything of what  
19 they can do and if they didn't want to come,  
20 you can explain to them, probably better  
21 than I can, the reason why it's set up and  
22 how Ernest said you don't want the general  
23 to have to stop loaning them money just to  
24 buy more materials. And then there's a lot

1 to it and a lot of things I couldn't relay  
2 to him when I'm seeing them in February.

3 MS. DEBUSK: So we don't have  
4 to take action, we can just listen to them  
5 and take it under advisement?

6 MS. LAZENBY: Exactly.

7 MR. WHITTINGTON: Yeah.

8 MS. LAZENBY: Under Tab 9 is a  
9 list of the laws that passed and I think I  
10 e-mailed them to you-all and --

11 MR. SMITH: Which ones apply to  
12 us?

13 MS. LAZENBY: The first one  
14 does, but it just -- more or less, that one  
15 is just a clarification.

16 MR. SMITH: The second one  
17 might.

18 MR. DRIVER: The second one is  
19 actually a Consumer Protection Act change,  
20 probably the Chapter 483 that has to do with  
21 contractors soliciting people to waive  
22 things and the Consumer Protection Act.

23 MS. LAZENBY: The first two are  
24 actually in our laws.

1                   MR. DRIVER: The one on Page 7,  
2     that requires approval be listed on actual  
3     parts of the law. The next one on that page  
4     which clarifies that person, I believe in  
5     some states do have to file a license  
6     because -- I think Gerald can explain to you  
7     people say, well, I have a license in this  
8     other state, is that good enough.

9                   (MULTIPLE VOICES)

10                  MR. SMITH: Not in the some  
11     county.

12                  MR. DRIVER: That's another  
13     Consumer Protection Act.

14                  MS. LAZENBY: What was your  
15     reading that was passed last year?

16                  MR. DRIVER: Oh, yeah.

17                  MS. LAZENBY: I think I gave  
18     you a list of all the law changes in, but  
19     the one -- the other one is about the  
20     Tennessee Clean Energy Future Act. I just  
21     put that for your information. You-all  
22     probably know a lot more about it than I do.  
23     The workers comp goes in effect this year,  
24     but it was actually passed last year and I

1 think I keep messing up interpretation but I  
2 think the way it is, is come December, we'll  
3 be required everybody to get workers' comp  
4 insurance and the only exceptions will be  
5 sole proprietor and partnerships; they'll  
6 need it on themselves if they contract  
7 directly for the owner.

8 MR. TICKLE: But if you're a  
9 corporation, you don't have to have it?

10 MS. LAZENBY: Corporations, you  
11 have to have it regardless. Right?

12 MR. DRIVER: I believe so. My  
13 understanding is corporations have to have  
14 it --

15 MS. LAZENBY: LLC --

16 MR. DRIVER: -- regardless of  
17 one employee or a dozen, so...

18 MS. LAZENBY: And zero -- a  
19 corporation and LLC will no longer be  
20 exempted at all.

21 MS. DEBUSK: From what?

22 MR. DRIVER: Workers comp  
23 statute requirement, which has no bearing on  
24 the Board. But I think this was up for



1 discussion two or three meetings ago, if I  
2 remember right.

3 MS. LAZENBY: Yeah. And I keep  
4 getting it mixed up. The way it's reading,  
5 it's getting it backwards, but I think the  
6 only exemptions will be sole proprietors and  
7 partnerships and that's if they work as a  
8 subcontractor. So I think that's all the  
9 law changes that we had.

10 MS. DEBUSK: Okay. I think we  
11 need to talk about September and November  
12 board meeting dates.

13 MS. LAZENBY: Right. And I  
14 think we came up with at least ten  
15 calendars.

16 MS. DEBUSK: I'd like to have  
17 ten.

18 MS. LAZENBY: Yeah. So I think  
19 we left it as having a meeting on September  
20 18. And do you foresee having formal on the  
21 17th as a day for formal hearings?

22 MR. DRIVER: Yes. In  
23 September?

24 MS. LAZENBY: Yes.

1                   MR. DRIVER: I'm not sure what  
2 NASCLA -- what the Board's schedule is going  
3 to look like. I'd be more than happy to do  
4 it, but I think it may be a little too much  
5 strain on the members time. So I don't mind  
6 if it's followed until the November meeting  
7 or more.

8                   MS. LAZENBY: And then November  
9 17th and 18th were slated for Knoxville, so  
10 we'll go to Knoxville this year. So are  
11 those two dates okay with you-all?

12                  MR. WHITTINGTON: The September  
13 meeting, you're just going to have the one  
14 day meeting on the 18th?

15                  MS. LAZENBY: Right.

16                  MR. WHITTINGTON: We're going  
17 to get our business over early that morning  
18 and then take a lunch and attend the  
19 afternoon.

20                  MS. DEBUSK: Okay.

21                  MR. SMITH: Can we meet at the  
22 hotel there somewhere or?

23                  MS. LAZENBY: I'll see if we  
24 can. That'll be real good if we can use a

1 room on that. I'll check on that.

2 MR. SMITH: I know it's like  
3 herding cats, but if we could, that would be  
4 -- if the formal hearings pertain to people  
5 in East Tennessee, that would be nice.

6 MS. DEBUSK: There's something  
7 to add to the agenda.

8 MR. WHITTINGTON: I've got  
9 one. It was brought to my attention, and  
10 this is just a matter of maybe we need to  
11 send out a notice to the local permitting  
12 authorities that Johnson City did not  
13 realize that in order to reciprocate a  
14 licensee from another state, they still had  
15 to take a test with the State of Tennessee  
16 to get their license. In other words,  
17 somebody told me in the office there that if  
18 they came over with a North Carolina  
19 license, here's my North Carolina license.  
20 I need a permit, they gave them their  
21 permit.

22 MS. LAZENBY: Oh, okay. We  
23 are --

24 MR. WHITTINGTON: Well, we

1 reciprocate with North Carolina, so here's  
2 your permit. And they weren't aware that  
3 they had to take the test and become  
4 licensed in the state of Tennessee, as  
5 well.

6                   So I think we need to send out  
7 a letter to all agencies, all permitting  
8 authorities, all counties, cities, and let  
9 them be aware that it's required to have a  
10 Tennessee license to do business in  
11 Tennessee.

12                   MS. LAZENBY: And I do -- I  
13 think they require it all the time. I  
14 probably get that e-mail probably ten times  
15 a week from people, so we'll get a letter  
16 out just to clarify.

17                   MR. TICKLE: So to do business  
18 here in the State of Tennessee, they have to  
19 take a test?

20                   MR. SMITH: They have to take a  
21 B Law. They have to take a B Law test no  
22 matter what. They have to fill out an  
23 application.

24                   MR. TICKLE: Well, I know lots

1 of people in Mississippi and Arkansas. All  
2 I have to do is fill out the paperwork and  
3 send them some money.

4 MS. LAZENBY: Mississippi a  
5 waiver, business law exam.

6 MR. TICKLE: Arkansas does,  
7 too. I just send them some money.

8 MS. DEBUSK: So you're going to  
9 send a letter and I missed one on the add  
10 class. We have a C in April. They want to  
11 add a speciality class for environmental.  
12 However, their QA is as employed less than  
13 six months, only two months the certificate  
14 that the QA is supplied expired back in I  
15 think '96.

16 MS. LAZENBY: They're very old.

17 MS. DEBUSK: And we're not sure  
18 that the QA has been removed from the other  
19 two licenses. We need to check that. So  
20 we're going to hold M & D Electric and  
21 Building Services, Incorporated, we're going  
22 to hold their add class due to the following  
23 reasons I just stated.

24 MS. LAZENBY: Good. Thank

1     you.   So do we need to vote on this?  Do we  
2     need to vote to hold?  It's to hold an add  
3     class.

4                   MS. DEBUSK:  It's a license  
5     revision.

6                   MR. SMITH:  It's just holding  
7     for further information.

8                   (MULTIPLE VOICES AT ONCE)

9                   MS. LAZENBY:  We just need more  
10    information.

11                  MS. DEBUSK:  Okay.  We'll need  
12    more information.  So does that conduct our  
13    business?

14                  MS. LAZENBY:  See you tomorrow.

15

16                  MS. DEBUSK:  Do I have a motion  
17    to adjourn?

18                  MR. TICKLE:  Motion.

19                  MS. DEBUSK:  Second?

20                  MR. WHITTINGTON:  Second.

21                  MS. DEBUSK:  All in favor?

22                  (AYES RESPONSE)

23                  MS. DEBUSK:  Motion carried.

24                  (WHEREUPON, THE MEETING ADJOURNED)

AT APPROXIMATELY 3:30 P.M.)

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## C E R T I F I C A T E

STATE OF TENNESSEE:

COUNTY OF SHELBY:

I, JENNIFER L. AARON, Court Reporter and  
Notary Public, Shelby County, Tennessee,  
CERTIFY:

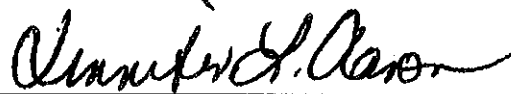
The foregoing deposition was taken  
before me at the time and place stated in  
the foregoing styled cause with the  
appearances as noted.

Being a Court Reporter, I then reported  
the deposition in Stenotype, and the  
foregoing pages contain a true and correct  
transcript of my said Stenotype notes then  
and there taken.

I am not in the employ of and am not  
related to any of the parties or their  
counsel, and I have no interest in the  
matter involved.

I further certify that this transcript  
is the work product of this court reporting  
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of Tennessee Code Annotated 39-14-104, Theft  
of Services.

Witness my signature this the 23 day  
of September, 2009.

  
JENNIFER L. AARON

Notary Public at Large  
For the State of Tennessee

My Commission Expires  
MARCH 17, 2010

